

## HOUSE BILL NO. 149

INTRODUCED BY R. DALE

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT SPECIFYING THE CONFIDENTIALITY OF CERTAIN RETURNS, REPORTS, AND RECORDS FILED OR PREPARED WITH RESPECT TO CENTRALLY ASSESSED PROPERTY OF RAILROADS, PUBLIC UTILITIES, AND AIRLINES; PROVIDING A PENALTY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**NEW SECTION. Section 1. Confidentiality of tax records.** (1) Except as provided in this section, in accordance with a proper judicial order, or as otherwise provided by law, it is unlawful to divulge or make known in any manner the particulars set forth or disclosed in a return or report that is required under 15-23-106, 15-23-212, 15-23-301, or 15-23-402 or any other information secured in the administration of part 2, 3, or 4 of this chapter.

(2) (a) An officer or employee charged with custody of returns and reports required by this chapter may not be ordered to produce any of them or evidence of anything contained in them in an administrative proceeding or action or in a judicial proceeding, except in:

(i) an action or proceeding in which the department is a party under the provisions of this chapter;

or

(ii) any other tax proceeding or on behalf of a party to an action or proceeding under the provisions of this chapter when the returns or reports or facts shown in them are directly pertinent to the action or proceeding.

(b) If the production of a return, report, or information contained in a return or report is ordered, the court shall limit production of and the admission of returns, reports, or facts shown in them to the matters directly pertinent to the action or proceeding.

(3) This section does not prohibit:

(a) the delivery of a certified copy of a return or a report filed in connection with a return to the taxpayer who filed the return or report or to the taxpayer's authorized representative;

(b) the publication of statistics prepared in a manner that prevents the identification of particular returns, reports, or items from returns or reports;

(c) the inspection of returns and reports by the attorney general or other legal representative of the state in the course of an administrative proceeding or litigation under this chapter;

(d) access to information under subsection (4);

(e) disclosure of a summary page to be included in the appraisal report prepared by the department that includes the following:

(i) correlated unit value;

(ii) the state's allocated percentage of the correlated unit value; and

(iii) the state's allocated fair market value; or

(f) disclosure of information that the department obtains from public sources.

(4) The department shall:

(a) allow the inspection of returns and reports by the legislative auditor, but the information furnished to the legislative auditor is subject to the same restrictions on disclosure outside that office as provided in subsection (1);

(b) deliver data to the legislative fiscal analyst and the office of budget and program planning, but the information furnished to the legislative fiscal analyst and the office of budget and program planning is subject to the same restrictions on disclosure outside those offices as provided in subsection (1); and

(c) disclose to the respective counties the information described in 15-23-106, but the information furnished to each county is subject to the same restrictions on disclosure outside that office as provided in subsection (1) of this section.

(5) A person convicted of violating this section shall be fined not to exceed \$1,000 or be imprisoned in the county jail for a term not to exceed 1 year, or both. If a public servant, as defined in 45-2-101, is convicted of violating this section, the person forfeits office and may not hold any public office or position of public employment in the state for a period of 1 year after conviction.

**NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an integral part of Title 15, chapter 23, part 1, and the provisions of Title 15, chapter 23, part 1, apply to [section 1].

